

CLASSIFICATION **RESTRICTED**CENTRAL INTELLIGENCE AGENCY  
INFORMATION FROM  
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

STAT

CD NO.

COUNTRY	Czechoslovakia	DATE OF INFORMATION	1949
SUBJECT	Political - Reorganization of industry	DATE DIST.	8 Aug 1949
HOW PUBLISHED	Daily newspaper	NO. OF PAGES	2
WHERE PUBLISHED	Prague	SUPPLEMENT TO REPORT NO.	
DATE PUBLISHED	27 Apr 1949		
LANGUAGE	Czech		

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF SPYING ACT OF U. S. C. 71 AND 72, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS PAGE IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Lidove Noviny, No 98, 1949.MINISTRY OF INDUSTRY REORGANIZED

According to Minister of Industry, G. Klement, the reorganization of the Ministry of Industry will strengthen industry and hasten the progress toward socialism. As a result of the reorganization, about 350 persons will leave the Ministry of Industry for productive labor. Half of them are already working in new positions, or have left. The remainder will be assured of work consistent with their capabilities, and will be paid according to merit.

Under the reorganization of industry, which is to be completed this year if possible, the previous managements of state enterprise will be abolished. In accordance with a plan which is to be worked out by the general managements, the burden of direction and responsibility will be transferred to new state enterprises, which will be directed by responsible managers. The basis of these new state enterprises will be the main production plants, to which branch or auxiliary plants of the same type will be attached, even though they may be geographically distant. In each case, the units will be productively homogeneous and substantially smaller than the previous state enterprises. Over them will be only the general managements, which will be a direct part of the Ministry of Industry; substantially, their activity will be limited to planning and checking on how the factories fulfill the plan. By this means, superfluous duplication will be eliminated and the intermediate organizations will be abolished.

The metal industry alone will be divided into four general managements: heavy machinery, precision machinery, light-metal industry, and production of aircraft and vehicles.

The reorganization in the Ministry of Industry means primarily that the previous 11 production departments will be abolished, and their functions will be taken over by the general managements. The latter will be formed into four groups, which will be headed by deputy ministers. The first group will consist of mines, chemical industry, and power; it will be headed by Engineer Svatopluk Rada. The second production group will consist of metallurgy and the metal industry, and will be directed for the time being by Minister Klement. The

- 1 -  
**RESTRICTED**

CLASSIFICATION

STATE	NAVY	NSRS	DISTRIBUTION			
			FBI			
ARMY	X	X				
AIR						

**RESTRICTED**

STAT

textile, leather, and rubber industries will form the third group, which will be headed by Dr Ivan Holý. The fourth group will consist of the wood, paper, and glass industries; its director has not yet been designated.

In addition to the production groups, there are additional deputy ministers of industry for organizational matters of the Ministry. The general group is headed by Deputy Minister Dr Vilam Pithart. This group will deal with budgetary, economics, and organizational matters of the abolished presidium, in addition to international matters and legislative, legal, financial, and budgetary problems of state enterprises. For the time being, there will also be a division of compensations for nationalized industry, which, however, will soon be transferred to the Ministry of Finance.

A second group will be the planning group, which is to be headed by Deputy Minister Engineer Stanislav Rejna. It will be divided according to the content of the plan. The third group is the personnel (kadrova) group, and is headed by Vaclav Krchov. The new organization is connected with the transposition of the offices of the Ministry of Industry in which all deputy ministers will work. It is already in full progress, and within a day or two all officials will know where they have been assigned.

- E N D -

- 2 -

**RESTRICTED**